

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL  
JOINT BOARD OF DIRECTORS MEETING**

December 4, 1996  
Renaissance Hotel, Washington, DC

The meeting was called to order at 10:30 AM by Chairman Dale Van Vyven. In attendance were:

Legislative Members

Rep. Dale Van Vyven, Chairman, Ohio  
Rep. Bonnie Sue Cooper, First Vice Chairman, Missouri  
Speaker Bobby Hogue, Treasurer, Arkansas  
Rep. Carolyn Oakley, Secretary, Oregon  
Sen. Ray Powers, Immediate Past National Chairman, Colorado  
Sen. Brenda Burns, Arizona  
Rep. Roger Halvorson, Iowa  
Sen. Ray Haynes, California  
Rep. Donald Ray Kennard, Louisiana  
Rep. Steve McDaniel, Tennessee  
Sen. Jim Dunlap, Oklahoma  
Sen. Bill Raggio, Nevada  
Sen. Emilio Cantu, Washington  
Sen. Philip Hoffman, Michigan  
Sen. George "Doc" Gunther, Connecticut  
Assemblyman Robert Straniere, New York  
Sen. Dean Rhodes, Nevada  
Rep. Susan Wagle, Kansas

Private Sector

Mr. Al Auger, Chairman, Coors Brewing Co.  
Ms. Tina Walls, First Vice Chairman, Philip Morris Management Co.  
Mr. Ronald Scheberle, Immediate Past Chairman, GTE  
Mr. Mike Morgan, Koch Industries  
Ms. Jane Cahill, U.S. Generating  
Ms. Monita Fontaine, Distilled Spirits Council of the U.S.  
Mr. Jeffrey Lane, Procter & Gamble  
Mr. Pete Poynter, BellSouth  
Mr. J. Patrick Rooney, Golden Rule Insurance  
Mr. Jerry Watson, NABIC  
Mr. Frank Messersmith, Skelding, Labasky, Corry, et al

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Ms. Marie Chelli, Joseph E. Seagram & Sons, Inc.  
Mr. Harry Winters, UPS  
Mr. Roger Mazingo, R.J. Reynolds Tobacco Co.  
Mr. David Halbrook, New Hope Foundation  
Mr. Les Goldberg, American Express

Staff

Mr. Dan Denning, Executive Director  
Mr. Duane Parde, Chief of Staff  
Mr. George Rasley, Director of Development  
Mr. Steve Walker, Comptroller  
Ms. Beverlee Lee, Director of Finance  
Ms. Lane Dolly, Director of Administration

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CALL TO ORDER

Chairman Dale Van Vyven called the meeting to order at 10:30 AM. By motion of Rep. Carolyn Oakley, second by Cooper, the minutes of the September 28<sup>th</sup> meeting were approved as submitted. Van Vyven announced an agenda change noting the Report of the Executive Director would be moved to the morning. VanVyven allowed members to sit at ease while several members were retrieved from committee meetings.

EXECUTIVE DIRECTOR REPORT

VanVyven recognized Executive Director Dan Denning for his report. Denning reviewed the Auditor's report and financial condition. The auditor noted improvement in key areas. In regard to the capital campaign, Denning thanked: a loan with favor from KOCH, a loan from E&M Charities, and a RJR Grant. Denning noted improvements in the accounting system over the last year, improved personnel policy and reduced employee turnover. Denning reported continued ALEC excellence in model bills, publications, and conferences and continued expansion in the private sector.

1997 Business Plan -Denning

Projects \$6.5 million in revenue and \$6.25 million in expenditures. Policy initiatives will include the balanced budget amendment, electric power restructuring, tort reform (esp. common law), Environmental Audit Privilege, Educational Choice, increased workers compensation education programs, and additional insurance issues. The 1997 annual conference will be August 12 to 17, 1997, in New Orleans with expected attendance over 2,700. Denning announced his resignation as Director of ALEC. Denning recognized Controller Steve Walker to outline 1997 Budget Projections.

1997 Budget Projections-Walker

Walker suggests continued promotion that ALEC's primary product is POLICY. He outlined what he termed a programmatic budget with zero-based review that emphasized policy, the main product. Walker says budget goal is to match every expense with a revenue source. Walker pointed out page five of seven of his budget memo as needing a motion and decision. Specifically, that additional private sector board assessments would be made at \$2000/member to generate a revenue stream to cover the cost of Board meetings.

Questions and Answers:

Walker clarified that in his projections he figured the 'indirect costs' based on a formula for auditors which concentrated on true overhead costs, personnel, rent, etc. Page four of seven break out public sector costs. Walker clarified that his projections do direct Task Force Chairs to cover the costs of their own meetings. He says it asks Chairs to review and stay within revenue and expenditure guide of budget. Budget asks the private sector to cover entire entertainment costs of events.

Discussion ensued about the actual cost of previous year's annual conferences and the possibility that the estimated \$900,000 cost for the meeting is much too low. Walker pointed out that the cover memo notes the annual meeting cost expenditure is estimated at \$1.2-million, but the policy workshops and policy budgets are offset with sponsorship funds within their own items. Beverlee Lee noted the projected budget re-allocates \$300,000 for the annual meeting to be covered by the Task Forces for their own meetings, etc. Sen. Ray Haynes noted that the \$1.1 million projected for the annual conference throughout the budget is still lower than he historically remembers and notes that a more realistic budget should be approved. Several members ask for specific breakdowns and line-items and, to the extent possible, historical revenue-expenditure totals for previous conferences. It was agreed that these will be provided to the members.

VanVyven referred the projected budget to the Finance Committee for review and action. Denning recognized George Rasley to outline the 1997 Development Plan.

#### 1997 Development Plan

Rasley outlined five distinct revenue streams as follows:

1. membership and general support
2. meeting and conference sponsorships
3. restricted corporate donations (State Factors and Task Force meetings)
4. fundraising events and projects
5. foundation grants

Rasley says the first four are revenue to meet specific expenses and all are based on two strengths: policy and membership. In regard to question on fundraising, he noted decisions would be deferred until Leader to Leader and Salute are fully evaluated.

VanVyven referred the plan to Finance Committee.

#### EXECUTIVE DIRECTOR RESIGNATION

VanVyven thanked Denning for his work and accomplishments, wished him well, and thanked Denning for his offer of continued assistance. Oakley moved to accept the resignation of Dan Denning with regret which was seconded by Sen. William Raggio. Motion carried.

By motion of Rep. Bonnie Sue Cooper and second by Oakley, Duane Parde was named interim Executive Director. Motion carried.

Auger noted that change and opportunity happen all the time in the private sector. Auger applauded Denning's efforts and thanked him for his offer of assistance.

#### CHAIRMAN TRANSITION

VanVyven noted the past year had been challenging and great. Thanked all ALEC staff, every Board member, and his aide, Lora Miller. He thanked all the Board for their help in fundraising.

Rep. Bonnie Sue Cooper accepted the gavel of the ALEC chair. Cooper thanked VanVyven and the Board. Cooper pledged the Chairmanship was a high honor that

would have her full attention. Cooper introduced the Board Secretary Julia Nienaber, Missouri House Republican Chief of Staff. Cooper thanked the Missouri caucus for the loan. Cooper introduced her "kitchen cabinet." Cooper said she wants this coming year to be ALEC's most dynamic with emphasis on growing the private-public partnerships. She hopes for a 5-person core in each state to promote ALEC. She supports and will promote ALEC's task force policy developments. Cooper thanked Pete Poynter and Donald Ray Kennard for their work on the '97 Annual Meeting, and Brad for the fabulous job on the N.O.C. Cooper said she will concentrate on the financial condition of ALEC and its fiscal responsibility.

#### PRESENTATIONS

Cooper presented a statue to Past Chair Ray Powers. Cooper presented a picture to VanVyven, Immediate Past Chair. Auger presented a brief case to Cooper.

#### NEW MEMBER

Auger reported Kurt Malmgren of PHARMA as a new member.

#### APPEAL OF ELECTRIC INDUSTRY RESTRUCTURING MODEL LEGISLATION

Tim Beauchemin noted that the Task Force adoption of an electric deregulation model bill is on appeal to the Board. John Hughes of the Electric Research Council spoke for the model bill noting that 1 ½ years of work went into the bill with 33 legislators and 59 private sector members participating. He reviewed all procedures used at all pertinent meetings in accepting feedback and taking action on the language sections which comprise the model bill. John Rowe of Tampa Electric in Florida spoke against the model bill saying that guiding principles had been adopted unanimously but that consensus had not been reached on the model bill and that full input was limited.

In questions and answers, Hughes said US Rep Dan Schaefer will likely push a federal deregulation bill again this year. Some debate ensued about the policies in the bill and language of the bill and its possible consequences. Powers moved for adoption of the bill as presented, seconded by VanVyven. Sen. Hoffman urged the Board to reject the motion and instead adopt the principles saying ALEC legislation should reflect consensus. Cooper clarified that both the principles and the bill are on appeal. It was noted that the bill contains the principles as lettered items. Jane Cahill asked for clarification of the Review Appeals process. Cooper noted the By-Laws say an appeal can find that an item on appeal 1) violates ALEC principles or 2) procedure to adopt the item did not follow procedure. Discussion continued on various bill provisions.

Cooper called for the legislative vote with 12 in favor of pending motion, 4 opposed. Sen. Hoffman motioned to approve the principles, second by VanVyven. Motion carried 17 to 0.

#### NEW BOARD MEMBERS

Cooper introduced the new Board members: Sen. Jim Dunlap of Oklahoma, Rep. Susan Wagle of Kansas, and Rep. Donald Ray Kennard of Louisiana. Members were asked to review head table assignments for the NOC and to commence committee meetings over the lunch break. Cooper adjourned the meeting for lunch.

**AFTERNOON SESSION  
CALL TO ORDER**

First Vice-Chair Bobby Hogue reconvened the Board meeting.

**APPEAL OF MODEL WELFARE BILLS**

Tim Beauchemin noted the Task Force adopted a set of state model welfare reform bills and the adoption followed procedure. However, policy is supposed to be distributed for 30 days before it is official ALEC policy. Need to waive the time requirement in order that the model bills may distributed at the NOC welfare meeting. Hoffman motioned to approve the set of bills, seconded by Wagle and carried.

Sen. Brenda Burns announced it is the 10<sup>th</sup> Anniversary of the NOC. Hogue instructed members to stand at ease.

**EXECUTIVE BOARD AND FULL BOARD MEMBER APPOINTMENTS**

Cooper called the meeting back to order. VanVyven motioned and Oakley seconded to support the Nominating Committee recommendation to fill Rep. Roger Halvorson's Executive Board position with Sen. Ray Haynes of California where Haynes will serve as Treasurer. Motion carried.

VanVyven motioned and Rep. Tom Uher seconded that Sen. Jim Dunlap of Oklahoma fill the remainder of the term of Rep. Roger Halvorson's Board seat due to the election defeat of Halvorson. Motion carried. VanVyven motioned and Halbrook seconded that Sen. Billy Hewes of Mississippi fill Dunlap's seat. Motion carried.

**COMMITTEE REPORTS**

**Finance Committee Report—Carolyn Oakley**

Several meetings were held. A subcommittee was appointed, and an audit was conducted at the ALEC office on Dec. 2, 1996. The auditor, Andrew Lang, said low staff turnover and corporate loyalty have been great strengths and benefits. Auditor cautioned that foundation money is slow and can have strings. Still \$1-million short of being in the black. She said the committee voted not to accept the 1997 budget, but to continue the 1996 budget. They will direct staff to develop 1997 budgets that are 5%, 10%, and 15% below 1996 budgets. VanVyven motioned and Cooper seconded allowing the Finance Chair the latitude to accomplish these outlined goals. Motion carried.

**Meetings Committee Report—Ray Powers**

(with Brad Boutillier) Will work on fundraising from now until February with New Orleans Host committee for Annual Meeting. The Host Committee agreed to try to reach revenue and expenditure targets given by ALEC. New Orleans schedule will include Flavor of New Orleans, family night on Saturday at Aquarium, substantive programming moved from Saturday to Wednesday, with most events at hotel. Host Committee will assist State Chairs with dinner bookings. 1998 site is Chicago and 1999 site is Opreyland. For 2000, the committee will explore SanFrancisco, Portland, and Seattle.

Proposal for Spring Board meeting on March 6 to 9, 1997, at the PGA National Spa and Resort in Palm Beach, Florida with Thursday arrival, meetings all day Friday and a half-day Saturday and departure on Sunday. This was held for further discussion due to conflicts with some other meetings.

**Federalism Committee—Brenda Burns**

ALEC was asked to intervene in a FEC decision on interconnection in relation to the Telecommunications Act of 1996. Referred such a recommendation to the Telecommunications Task Force noting the FEC overstepped its authority regarding state's rights, but did not opine on the issue. She hopes the majority of future action will be to work with Congress. The Federalism Committee raised \$12,000 in 1996 and spent \$9,000 (primarily on attorney work and publications).

**Bylaws Committee—Frank Messersmith**

The following language was passed out of the Bylaws Committee and presented to the Board for adoption. A motion of Cooper, second by Oakley, did carry to adopt this language:

Section 10.01 Appointment. All State Chairmen are appointed by the National Chairman. Private Sector State Chairmen are appointed by the ALEC State Chairman, and confirmed by both the Private Enterprise board Chairman, and the National Chairman. Each ALEC State Chairman shall appoint a Private Sector State Chairman to serve concurrently with the State Chairman.

Section 10.02 Term. State Chairmen Serve for a two (2) year term, and may be reappointed by the National Chairman.

Section 10.03 Duties. State Chairmen duties shall include recruiting new members, working to ensure introduction of model legislation, suggesting task force membership, establishing state steering committees, planning issue events, and working with the Private Enterprise State Chairman to raise and oversee expenditures of legislative scholarship funds.

Section 10.04 Meetings. State Chairmen shall meet at least three (3) times a year, in conjunction with the scheduled meetings of the National Board.

Section 10.05 Elections. State Chairmen and Private Sector State Chairmen shall meet at the ALEC annual meeting to separately elect a Chairman and a Private sector Co-Chairman from among their respective members whose duties shall be to preside at their meetings. Pursuant to Article V, Section 5.02, State Chairmen shall nominate six members whose names shall be submitted to the ALEC Board of Directors Nominating Committee for consideration as ALC Directors. The duty of the Private Sector Co-Chairman is to assist the Chairman in fund-raising and private/public sector recruitment and retention. The Chairman of the State Chairmen and the Private Sector Co-Chairman may not serve more than two (2)

consecutive two (2) year terms. In addition, the State Chairmen shall establish an Executive Committee, composed of the following: Chairman of the State Chairmen (who will Chair the Executive Committee), the Private Sector Co-Chairman of the State of the State Chairmen, and three designated public sector State Chairmen currently serving on the ALEC Board of Directors, and three Private Sector State Chairmen. The Executive Committee shall meet at the Fall Board Strategic Planning Meeting, and at the annual meeting.

**Section 10.06 Steering Committee.** State Steering Committees shall consist of a State Chairman, a Vice-Chairman from the opposite party, if appropriate, Senate and House Membership Coordinators, Legislative Issue Coordinators and such other members as set forth in ALEC's strategic plan.

**Section 10.07 State Scholarship Accounts.** All funds for ALEC State Scholarship Accounts shall be deposited in accounts designated by the ALEC Board of Directors. State Chairmen are prohibited from establishing, maintaining, or utilizing any other such accounts for ALEC purposes. Violation of this section shall constitute grounds for: (1) immediate removal from a leadership position, and (2) dismissal from membership in accordance with these bylaws.

#### Task Forces—Rep. McDaniel

McDaniel motioned and Kennard seconded that no member to a Task force can vote 30 days prior to their appointment. Motion passed.

#### Personnel—Halverson

They voted to send the employee manual for legal review with attention to sections regarding part-time employees. Tina Walls and Duane Parde will review job descriptions.

#### NATIONAL CHAIR COUNCIL APPOINTMENTS

Cooper noted that the National Chair Council includes Cooper, the former public sector Chairs, and 1 appointment which was named as Sen. Jim Dunlap. Victoria Hughes, of the Koch Foundation, was also appointed to the Council.

#### BOARD COMMITTEE APPOINTMENTS

- Awards: Jane Cahill, Les Goldberg (Co-Chair), Charles Hardwick, Pete Poynter, Stephan Stefano, Sen. Dean Rhoads (NV) (Chair), Sen. George "Doc" Gunther (CT), Sen. Phil Hoffman (MI), Rep. Carolyn Oakley (OR)
- By-Laws: Tina Walls, Edward Failor, Ronald Scheberle, Frank Messersmith (Co-Chair), Michael Morgan, Sen. Owen Johnson (NY) (Chair), Sen George "Doc" Gunther (CT), Sen. Bill Raggio (NV), Rep. Steve McDaniel (TN), Speaker Harold Brubaker (NC)
- Federalism: Sen. Brenda Burns (Chair), David Halbrook (Co-Chair), Sen. Dean Rhoads (NV), Speaker Bobby Hogue (AR), Rep. Tom Uher (TX), Assemblyman



- Robert Straniere (NY), Sen. Ray Powers, Monita Fontaine, Jeffrey Lane, Harry Winters
- Finance: Rep. Carolyn Oakley (OR) (Chair), Sen. Ray Powers (CO), Sen. Bill Raggio (NV), Sen. Dean Rhoads (NV), Sen. Ray Haynes (CA), Rep. Donna Jones (ID), Speaker Bobby Hogue (AR), Speaker Harold Brubaker (NC), Rep. Tom Uher (TX), Rep. Bonnie Sue Cooper (MO), Rep. Dale Van Vyven (OH), Edward Failor, Ron Scheberle, Marie Chelli, Charles Hardwick, Michael Morgan (Co-Chair), Roger Mozingo, J. Patrick Rooney, Jerry Watson
  - Lobbying Regulations: Sen. Bill Raggio (NV) (Chair), Sen. Brenda Burns (AZ), Rep. Carolyn Oakley (OR), (Public Sector Vacancy), Tina Walls (Co-Chair), David Halbhook, Kurt Malmgren, Pete Poynter
  - Meetings/Conventions: Sen. Ray Powers (CO) (Chair), Sen. Owen Johnson (NY), Rep. Donald Ray Kennard (LA), Rep. Tom Uher (TX), Rep. Donna Jones (ID), Rep. Carolyn Oakley (OR), Tina Walls, Ron Scheberle, Marie Chelli, Les Goldberg, Roger Mozingo (Co-Chair), Steve McDaniel
  - Membership: Speaker Bobby Hogue (AR) (Chair), Sen. Brenda Burns (AZ), Sen. Ray Haynes (CA), Rep. Donna Jones (ID), Edward Failor, Monita Fontaine, Les Goldberg, David Halbhook, Kurt Malmgren, J. Patrick Rooney, Jerry Watson (Co-Chair)
  - Nominating: Rep. Bonnie Sue Cooper (MO) (Chair), Sen. Ray Powers (CO), Sen. Owen Johnson (NY), Sen. Bill Raggio (NV), Speaker Harold Brubaker (NC), Rep. Dale Van Vyven (OH)
  - Personnel Policy: Rep. Dale Van Vyven (OH) (Chair), Speaker Bobby Hogue (AR), Rep. Donna Jones (ID), Rep. Steve McDaniel (TN), Tina Walls, Ron Scheberle (Co-Chair), Charles Hardwick, Micheal Morgan
  - Strategic Planning: Rep. Bonnie Sue Cooper (MO) (Chair), Sen. Ray Powers (CO), Sen. Brenda Burns (AZ), Sen. Owen Johnson (NY), Sen. Philip Hoffman (MI), Sen. Bill Raggio (NV), Speaker Harold Brubaker (NC), Rep. Donna Jones (ID), Rep. Carolyn Oakley (OR), Speaker Bobby Hogue (AR), Rep. Dale Van Vyven (OH), Al Auger (Co-Chair), Tina Walls, Edward Failor, Ron Scheberle, Jane Cahill, Marie Chelli, Monita Fontaine, Les Goldberg, David Halbhook, Charles Hardwick, Jeffrey Lane, Kurt Malmgren, Frank Messersmith, Michael Morgan, Roger Mozingo, Pete Poynter, J. Patrick Rooney, Stephen Stefano, Jerry Watson, Harry Winters
  - Task Forces: Jane Cahill, Jeffrey Lane, Frank Messersmith, Pete Poynter (Co-Chair), J. Patrick Rooney, Stephen Stefano, Harry Winters, Rep. Bonnie Sue Cooper, Rep. Dale Van Vyven, Sen. George "Doc" Gunther, Sen. Ray Haynes, Sen. Phillip Hoffman, Assemblyman Robert Straniere, Sen. Billy Hewes

The Media and Publications Committee was disbanded.

On motion of Rep. Bonnie Sue Cooper with second by VanVyven, the meeting was adjourned.

**ADDENDUM TO MINTUES OF BOARD MEETING:**

On a motion of Bonnie Sue Cooper, seconded by Rep. Dale VanVyven, a vote was taken by mail from the ALEC Board of Directors regarding the Executive Director. On a vote of 15 to 0 on December 27, 1996, Cooper noted passage of the following motion:

“The matter of selecting an Executive Director will be addressed at the March 7, 1997, Board of Director’s meeting. However, in the meantime, please indicate your approval of Duane Parde publicly serving with the title of Executive Director on the response form.”